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THE INFLUENCE OF THE FAMILY EMPLOYMENT STRUCTURE ON SCHOOL- TO-WORK TRAJECTORIES

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ABSTRACT

The experience of entering the labour market varies greatly across European countries both in terms of entry- speed and in terms of job-stability. While in some countries young people enter rapidly in a stable employment, in other countries they go through a long search process, or they change various short and unstable jobs. Differences in youth school-to-work transitions may be explained by cross-country differences in educational systems, labour market institutions, youth unemployment and other macro-economic conditions. In this study we examine whether, besides individual and country characteristics, the family background plays a role in determining the type of integration process into the labour market experienced by young individuals.

We focus on young people aged 16-34 and we study their school-to-work trajectories. To this end, we use monthly data on employment statuses from the 2009 to 2012 longitudinal waves of EU-Silc, to construct individual sequences of employment statuses covering a 36-month period. Because of data limitations, we are able to consider only 17 European countries. In the empirical literature on life-course events, the optimal matching technique is generally used to group trajectories. We present an alternative methodology to classify trajectories that is outcome-driven instead of data-driven. Precisely, we group trajectories into different types according to the time needed to reach, and the pathway that led to, the first relevant employment spell, i.e. an employment spell lasting for at least six consecutive months. Indeed, we believe that a desirable employment outcome for school-leavers is the achievement of a sufficiently long employment spell. We distinguish successful and unsuccessful trajectories according to the achievement of a relevant employment spell, and we identify various sub-types according to whether individuals experienced a small number of long unemployment spells or a large number of short employment and unemployment spells. We also take into account the decision of returning to education. We estimate the effect of the household employment structure on the probability of experiencing a certain trajectory type and we examine whether the working conditions of parents and other family members at the time when young people leave education affect the characteristics of their entry path. We

adopt a gender approach and consider cross-country and time differences in macro-economic conditions and institutional settings.

The contribution of this work to the debate on youth transitions is threefold. First, we examine the impact of the family employment conditions on the entire labour market entry process of young individuals. Second, we distinguish the working status of parents from that of other working-age family members, to check whether they have different effects on youth school-to-work trajectories. We also consider separately the employment status of the mother and the father to examine whether there exists a father-son and mother-daughter type of effect. Third, we predict youth probability of experiencing a particular trajectory by the type of household employment structure.

Empirical findings suggest that parental working conditions and the working status of other working-age family members play a strong and decisive influence on the school leavers' labour market integration process. The working status of parents and that of other working-age family members matter similarly for young people school-to-work trajectories. Precisely, it is sufficient that someone in the family works, either parents or other working-age members, to have a significantly higher probability of a speedy trajectory, and a significantly lower probability of being continuously at the margin of the labour market. No major effects of the family employment structure are found on the other trajectory types. We find no evidence of a mother-daughter and father-son effect, except for educational choices. The relative probability of being in a particular trajectory for different family types is also interesting. When no other members are present, the probability of entering rapidly into the labour market for young individuals living in work-rich households is substantially higher than for those living in work-poor families. The probability of being continuously unemployed is instead about a half. When other working-age family members, besides parents, are present, odds are even larger. The role of the household working conditions on young people entry process did not change much over time. However, during the crisis, young individuals living in work-rich households were more protected from the increasing difficulties in entering the labour market than their peers living in work-poor families, especially males.

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